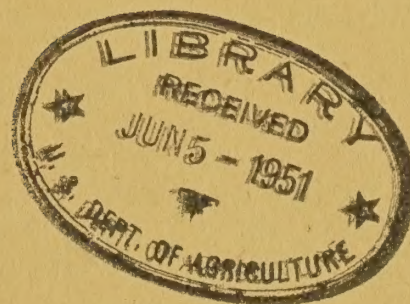


REPORT OF REGION V INTERIM FIELD CONFERENCE ...

HOTEL FAUST *omit*

ROCKFORD, ILLINOIS,

JANUARY 25-26, 1951 //



ATTENDANCE

John W. Asher, Jr., Moderator, REA

MANAGEMENT DIVISION

H. A. Whittle
E. C. Collier
R. E. Morris
L. W. Lynch
Dean F. Coffman

ENGINEERING DIVISION

H. B. Lee
H. W. Freeland
N. L. Lundeen
George T. Hall
Lester Windsor
R. M. Willemssen
J. T. Wright
Edward H. Falkowski

APPLICATIONS AND LOANS DIVISION

T. E. Orman
Jennings M. Ray
James N. Sherwood
N. D. Wrinkle

* Miss Agnes Wilson was absent
due to illness

ACCOUNTING AND AUDITING DIVISION

Martin Prebesh
Robert T. Clifford
Marguerite M. Goffett
Edith M. Bannister
John J. Perino
Harry D. Clarke
M. G. Amsrud
R. H. Hoffman
Dennis L. Tachick
D. W. Baker
Lloyd A. Toonen

Mr. John W. Asher, Jr., Chief, Personnel Division acted as Moderator of the meeting.

Mr. Asher opened the meeting with comments with respect to the REA administrative funds and loan funds for the fiscal year 1952, REA's place in the defense program, and matters concerning personnel such as possibilities of dispersal and decentralization of the Washington office, reemployment rights, temporary indefinite status of promotion, Social Security, Performance Rating Plan and outlook for legislation with respect to leave and pay increases. The recent reorganization of the Finance Division, now called the Accounting and Auditing Division, was explained. Also, the Moderator explained that a separate committee has been established to consider approval of managers for the telephone program and field employees were encouraged to use the performance rating sheets that have been developed since the June Conferences last year. Any further questions with respect to the above matters should be directed to Mr. Asher.

However, due to the importance of information on present materials and prevailing wages, we are including below the highlights of a recent statement by Mr. Wise on this subject:

MATERIALS PRIORITIES

"Mr. Wise presented a discussion of the background and present status of the regulations pertaining to the acquisition and use of strategic materials. These regulations are issued pursuant to the Defense Production Act of 1950. Executive Order 10161 delegated authority to the Secretary of Interior with respect to electric power. The National Production Authority was granted authority for allocating materials. NPA issued two orders involving REA borrowers.

"M-7, effective November 13, 1950, calls for reduced use of aluminum in civilian economy in order to provide for necessary quantities of aluminum for national defense. The order cut non-defense use of aluminum in 1951 to 65 percent of the 1950 level. However, REA borrowers are permitted to use all aluminum conductor on hand, or for which suppliers have accepted orders before November 13, 1950, for delivery before April 1, 1951. However, use of such conductor must be made before April 1, 1951. Thereafter, additional supply of aluminum will be available to borrowers with certain limitations on its use. During December 1950, borrowers could not use in construction more aluminum than his average monthly use during first six months of 1950. During each of four quarters of 1951, a co-op may not use more than 65 percent of its average quarterly use of aluminum during the first six months of 1950. Use of aluminum in any one month may not exceed 40 percent of quarterly allowance. With respect to maintenance, no person may use during six months period (beginning January 1, 1951) more aluminum than used during first six months of 1950. With respect to inventories the order limits the users of aluminum to the amount needed to maintain normal operations for a 60-day period.

Order M-12, effective November 29, 1950, places limits on civilian use of copper in December, 1950, and the first quarter of 1951. When order was issued, REA pointed out to NPA and the DEPA, that it would be administratively impracticable to apply a percentage reduction to the use of copper conductor by each individual REA borrower and that such a plan would restrict the over-all rural electrification program much more than was contemplated in the order. NPA advised Mr. Wickard by letter, dated December 18, 1950, that all REA borrowers will be considered together as one user and that REA would be responsible for administering the distribution of copper conductor among the individual borrowers, subject to such regulations as the DEPA may make. NPA permitted REA's telephone borrowers as a group to use 133 tons of copper in conductor during December 1950 and the first quarter of 1951, with distribution among those borrowers to be determined by REA. With respect to construction, copper conductor used during December 1950, by all REA borrowers collectively, could be 100 percent of the average monthly use during October and November 1950. During January and February, 1951, the use of copper conductor is restricted to 85 percent of the average monthly use during the first six months of 1950. It is limited to 80 percent of that amount during March 1951. For maintenance and operation the use of copper by an individual borrower for the first quarter of 1951 may be 100 percent of the average quarterly use during the first six months of 1950.

Mr. Wise urged all field people to check on all borrowers and prevail upon them to return promptly to REA all questionnaire forms pertaining to the actual use of copper on their systems. Forms ADM 98 and 99 were mailed to borrowers January 4, 1951. Data requested on these forms are essential for our dealings with NPA to support our figures on what cooperatives would use if they could get wire. Form ADM 101 mailed out January 26, 1951, shows actual copper used in January. Field people could be very helpful in persuading borrowers to submit this information promptly, as it is necessary in placing requirements for materials on a program basis. Forms ADM 98 and 99 were not received by all field personnel. It was recommended that a set-up be established so that all field people will receive copies of questionnaire forms, so that they will be in position to expedite the data requested by the Washington office.

It was brought out in the discussion that a cooperative can accumulate enough materials to take care of a project which has been approved by REA and that a supply of copper on hand is legal insofar as present regulation orders are concerned, but that it cannot be used except by authorization, based on actual need. Apparently, there is no clear understanding as yet regarding the inclusion of salvage materials in new construction. Mr. Wise described Electric Order No. 1 with accompanying DEPA Forms Nos. 2 and 3 asking cooperatives to submit information on any transmission project above 15 KV or using more than 10,000 pounds of copper or any project costing more than \$50,000. The field staff should give the borrower any help needed in the preparation of any material forms. The DEPA forms should show how many farms, factories and/or

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Illinois 40 Macoupon

Problem: Weak management - poor records -- outside construction organization not properly supervised. Board formerly agreed to hire office manager some time ago but has not done.

Action: Collier, Ferino and Lundeen to attend board meeting together and press for action on the hiring of competent office manager and outside construction superintendent. Mr. Collier will coordinate the arrangements for this meeting.

Illinois 44 Carroll

Problem: Deficit borrower - Increasing deficit trend - Inadequate maintenance - High construction costs necessitating deficiency allocation. Whole problem requiring complete overall review of feasibility, rates, management practices, etc.

Action: Continue on combined inter-divisional program established after Springfield conference which is progressing satisfactorily.

Wisconsin 29 Clark

Problem: Audit revealed that on last construction section close-out, co-op had been overadvanced funds due to overstating material prices - apparently through error and not intention.

Action: Co-op to be instructed by Engineering Division Regional office to submit adjusting work order to reduce materials to correct price, based on auditor's findings. Co-op to be advised by Engineering Division Regional Office to file claim with engineer for overpayment on engineering fees resulting from this reduction in cost of construction.

Wisconsin 58 Price

Problem: Urgent need for power use program. Bad financial condition due to low consumption has necessitated retail rate increase.

Action: Hoffman and Morris to meet with board when presenting new retail rate study and push employment of power-use adviser.

Iowa 19 Adams

Problem: New manager who needs help.

Action: All divisions to give special assistance as far as possible. The manager attended recent Management Conference in Washington and gained thereby in the opinion of the Regional Heads.

Illionis 32 McDonough

Problem: Bookkeeper resigned. Co-op employed incompetent replacement.

Action: Management and Accounting and Auditing Divisions to push employment of qualified bookkeeper. We understand former bookkeeper came back but will only be available three or four months. Borrower should be encouraged to secure competent replacement.

Iowa 67 Sac

Problem: New manager who needs help.

Action: All divisions to give special assistance as far as possible. The manager attended recent Management Conference in Washington and gained thereby in the opinion of the Regional Heads.

Iowa 5 Carroll

Problem: Same question as to whether or not records for handling of resale of merchandise were properly maintained.
(Co-op is merchandising appliances)

Action: Management and Accounting and Auditing Divisions to review audit report and present to board at an early date.

Illinois 27 Edgar

Problem: Poor management due to ill health of manager. Board reluctant to secure replacement.

Action: Management Division to recommend to co-op employment of present Manager as Assistant Manager, and secure new Manager who could spend full time on the job.

General

Problem: Under REA procedure salvaged materials are returned to

stock at full current market value if declared reusable. Dell Baker states that work order committee recommended to Robert Beall last year use of original cost value not current stock card value. This is in accordance with FFC rules. No action has been taken on this recommendation.

Action: Mr. Asher to follow up with Mr. Beall. Request action on this recommendation.

The following recommendations were made at the Staff Participation Conference (Gripe Session):

At a closed meeting attended by field people only on January 25, 1951, and after a full discussion on each subject, the following resolutions were presented and unanimously adopted:

1. That the interim field conferences consist of one state and one regional conference each year.
2. That, in view of increased living costs, the Administrator consider increasing the per diem allowance to \$8.00 in towns with a population under 50,000 and to \$9.00 in those over 50,000.
3. That the Accounting and Auditing Division issue in the very near future a list of additional cities that exceed a population of 50,000 on the basis of the estimated 1950 census, this list to establish authority for the higher rate of per diem in these cities.
4. That the Administrator's office ascertain the reason for the delay in processing travel vouchers and mailing reimbursement checks regularly to the field employees, and subsequently eliminate such delay. The findings should be based upon the date of receipt of the voucher in the REA mail room rather than upon the date of its receipt in the Accounting and Auditing Division.
5. That auditors be allowed freedom of choice as to their itineraries, particularly when another divisional representative has requested the individual's assistance on a special problem. (This resolution was presented by the representative of a division other than the Accounting and Auditing Division.)
6. That there be appended to each divisional memorandum cross-references to other divisions' memoranda and to the Administrative Bulletins pertaining to the same subject.
7. That appreciation be expressed to those responsible for the arrangements made in connection with this field conference.

Motion made, seconded, and carried that the meeting be adjourned.

Upon return to Washington the Moderator investigated the possibility of field people securing a copy of the Administrator's Annual Report as requested at the Conference. The number of copies of the Administrator's Annual Report that can be secured by this agency is limited by law. In years past we have sent a copy of the Report to each REA borrower. This distribution, plus other necessary transmittals of the Report, has not left sufficient copies to distribute generally to the REA staff. However, this year the REA borrowers were advised of the availability of the Report and that we would not send a copy unless it was requested. Since all of them have not requested a Report, there are sufficient copies to distribute to the field staff and it is assumed you have already received your copy. If not, drop a note to the Information Services Division requesting one.

The Moderator has requested the Accounting and Auditing Division to submit an amendment to the appropriate policy bulletin to recommend the change in per diem allowances in accordance with your Number 3 suggestion above. Such recommendation will be placed on the next Agenda of the Administrator's Policy Advisory Committee Meeting. The Accounting and Auditing Division has also been requested to make a current survey as to the possibility of increasing the per diem allowances in accordance with suggestion Number 2. Other suggestions have been referred to the Suggestion Awards Committee.